



Formally known as Montana HomeOwnership Network

EXHIBIT 13
DATE 3-19-09
HB Housing Summit

19 March 2009

Sheila Rice, Executive Director and Maureen Rude, Operations Director for NeighborWorks Montana send their greetings to the committee and apologize for their inability to be here today.

NeighborWorks Montana (NWMt) is a partnership of local Montana organizations dedicated to providing homeownership opportunities to Montanans. NWMt is part of the national NeighborWorks® Network of more than 200 community-based organizations dedicated to creating healthy communities.

NWMt works with local service partners throughout the state to provide homebuyer education, homeownership planning, foreclosure prevention, one-to-one housing counseling, loans for down payment and closing costs, due-on-sale loans for "gap financing" and development of new owner-occupied homes.

NWMt works closely with the Housing Division and Montana Board of Housing within Montana Department of Commerce. Montana Board of Housing provides special funds for first and second mortgages and funding for homebuyer education and housing counseling. Other funding sources for Montana homebuyers include Fannie Mae, HUD, Rural Development and NeighborWorks® America.

Through collaboration with our 27 service delivery partners NWMt has helped approximately 3,700 families become homeowners in the past six years. Families all over Montana from Eureka to Ekalaka and from Sidney to Dillon are now homeowners. However, for a large number of Montanans, affordable housing continues to be just a dream because of what is seen as an affordability gap.

Affordability Gap The affordability gap is the difference between the median price of a home and the median income for many Montanans. For Montana's public safety and education employees, the affordability gap for police officers is \$40,000 and for teachers is \$51,000. Another cross section of Montanans, renters, experiences an even more dismal situation. A Montana senior citizen on social security must spend nearly 50% of their gross monthly income to rent a median priced one bedroom apartment.

Manufacture Housing is also a point of concern for Montana. There are approximately 52,000 manufactured homes in Montana. Of these 52,000 manufactured homes, 28,000 were made prior to 1976, which prove to be energy inefficient, dangerous and consume far too many resources in the weatherization program. There are 165 manufactured housing parks in Montana with more than 20 lots. Half of the parks are in high growth counties where the parks are vulnerable to redevelopment. If a community is closed and the homes have to be moved, the owners face a cost of \$4,000 - \$5,000 for the move, if they can find another place. In Whitefish, the closure of a 62 lot manufactured housing community resulted in 60 families leaving Whitefish - only two families found other homes in town. NWMt is working to assist homeowners who live in parks to help them purchase the park as a cooperative, ultimately keeping the community secure for the homeowners.

Foreclosure Montana is not exempt from foreclosure concerns. NeighborWorks® Montana, through our local partners, provides foreclosure mitigation counseling services.

- In FY 2006 560 total cases.
- In FY 2007 the case numbers grew to 1,248, a 123% percentage change.
- In FY 2008 the total cases grew to 1,734 an approximate 39% percentage change.
- Finally from October through December of 2008, counselors saw nearly 700 individuals and families concerned about foreclosure issues. If the 2008 numbers continue this same trend we could see as many as 2800 foreclosure mitigation cases.

Finally, what are some solutions for Montana's housing concerns? To begin, during this Legislative Session there are four bills under consideration. NWMt encourages this legislature to carefully consider passage of the following bills:

- HB 569, Sponsored by Rep. Hands - \$10 million appropriation for Housing Montana Fund
- HB 640, Sponsored by Rep. Noonan - Limits interest tax deduction to \$40,000 for taxpayers filing jointly
- HB 636, Sponsored by Rep. Dickenson - Allows tax credit of capital gains for park owners who sell to residents
- HB 623 Sponsored by Rep. Milburn - Clarifies that counties and cities can donate or sell at a discount their land for affordable housing

NWMt strongly encourages the 2009 Legislature to send a message that you legislative and financially support the fundamental right of affordable housing for Montana citizens.

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Exhibit 13

This exhibit is a booklet and it cannot be scanned therefore only the cover and table of content has been scanned to aid you in your research. The original exhibit is on file at the Montana Historical Society and may be viewed there.

**Montana Historical Society
Archives, 225 N. Roberts, Helena,
MT 59620-1201
Phone (406) 444-4774.**

Scanning by: Susie Hamilton

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NeighborWorks®

MONTANA



10 YEARS

CREATING HOMEOWNERSHIP
OPPORTUNITIES FOR
HARDWORKING
MONTANA FAMILIES

Prospective buyer contacts NeighborWorks Montana (NWMT), using e-mail or the toll-free number, and is referred to nearest local partner.

Buyer completes home-buyer education (HBE), homeownership planning, financial fitness and credit repair (if necessary) with local partner.

Buyer takes HBE certificate to a lender and gets pre-qualified for loans.

Buyer finds home to purchase in desired location and within price range.

Buyer signs purchase and sale agreement, completes loan process with local lender.

NWMT Steps to Homeownership

Local lender sends the loan package to NWMT.

NWMT qualifies the borrower for down payment and closing costs mortgage. (Depending on family size, income and circumstances, the loan may be deferred, low-interest or amortizing at market rates).

NWMT sends documents and loan funds to closing agent.

Closing agent closes both the lender and the NWMT loan with buyer, records mortgage(s). County sends confirmation of lien to NWMT.

NWMT services mortgages.

Local partner remains a resource for homeowners; rehab loans, foreclosure prevention, etc.

NeighborWorks Montana thanks Fannie Mae for their assistance with this 10-year report.

PARTNERS SPAN ENTIRE STATE

A&S Tribal Industries, Poplar, 406-768-3155

Apsaalooke Housing, Crow Agency, 406-638-2665

A.W.A.R.E./Home Choice Coalition, Helena, (406) 449-3120

Beartooth Resource Conservation and Development Area, Joliet, 406-962-3914

Bitterroot Resource Conservation and Development Area, Hamilton, 406-363-5450

Blackfeet Housing Authority, Browning, 406-338-5031

Central Montana Resource Conservation & Development Area, Roundup & Lewistown, 406-323-2755

Chippewa-Cree Housing, Box Elder, 406-395-4370

Consumer Credit Counseling Services, statewide, 406-761-8721

Eastern Plains Resource Conservation and Development Area, Sidney, 406-433-5024

Fort Belknap Housing, Harlem, 406-353-2601

Fort Peck Housing, Poplar, 406-768-3155

Headwaters Resource Conservation and Development Area, Butte, 406-782-7333

homeWORD, Billings, 406-255-0298

homeWORD, Missoula, 406-532-4663

Human Resource Council, Missoula, 406-728-3710

HRDC 7 of Billings, (406) 247-4732

HRDC of District IX, Bozeman, 406-585-4878

Lake County Community Housing, Ronan, 406-676-5900

NeighborWorks Great Falls, 406-761-5861

North Central Resource Conservation and Development Area, Shelby, 406-434-9161

Northern Cheyenne Housing Authority, Lame Deer, 406-477-8271

Northwest Montana Human Resources Council, Kalispell, 406-758-5432

People's Partners for Community Development, Lame Deer, (406) 461-5732

Rocky Mountain Development Council, Helena, 406-457-7354

Salish-Kootenai Housing Authority, Pablo, 406-675-4491

Sanders County Housing Task Force, Sanders County, 406-758-5432